



## **I-200 and Construction: Build Relationships to Level the Playing Field**

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**Guest columnist**

**I-200 and construction: Build relationships to level the playing field**

**By Peter Steinbrueck**

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A recent Seattle Times editorial ("[A disheartening drop in the years since I-200](#)," May 29) challenged the city of Seattle and the construction industry to work more aggressively to provide construction contracting opportunities for women and people of color in our community. This is certainly a reasonable call, given the 25-percent drop in participation of women and minority contractors in the city's public-works projects since passage of Initiative 200.

However, achieving greater equity and fairness in construction contracting is a complicated problem, and there is no silver-bullet solution. It is a mistake to think that government alone can solve this problem. Prime contractors must take responsibility for opening the door to women and minority contractors, who tend to be small businesses. And, because the vast majority of construction work in our community is financed by the private sector, not the public sector, these efforts should extend to all construction projects.

The City Council has taken a number of actions in the past several years to address elimination of affirmative-action programs, including giving prime contractors incentives to hire women- and minority-owned firms, prohibiting discrimination in contracting, and making it easier for small businesses to get paid sooner on their jobs.

But there is another factor: relationships.

State law requires public-works contracts to go to the lowest bidder. Prime contractors on public-works projects will almost invariably choose experienced sub-contractors they've worked with before and have confidence in. No law or incentive program can force a prime contractor to hire someone they don't want to.

Unfortunately, some general contractors may perceive some women- and minority-owned firms as a greater risk than other sub-contractors. You might call it fear of the unknown.

So how does this picture begin to change? It's a two-way street, and mutual understanding is critical. Women- and minority-owned small firms need to better understand the selection process that the larger prime contractors go through in choosing sub-contractors. The larger firms need to understand better the difficulties that smaller firms have to deal with, such as obtaining performance bonds, meeting payroll and restricted cash flow.

Most importantly, it's the business relationships with women- and minority-owned small firms that the prime contractors need to build. This is a slow process involving direct talks and fuller engagement within the broader construction industry.

A place to begin would be to convene a roundtable for large and small contractors. The Associated General Contractors, the city of Seattle, labor and apprenticeship organizations, and women and minority contractors should all be at the table. I urge our mayor to support these valuable efforts to tackle inequity in contracting for the long term.

Networking and relationship-building are widespread in the private sector. The city should encourage the same techniques to reach the goal of more equitable distribution of public contracts to women- and minority-owned firms.

Another approach that would help with relationship-building among contractors big and small is to focus more on smaller public-works projects where there is less financial risk to the prime contractor and where the level of experience of some of the smaller contractors might be a better fit. The city of Seattle has many smaller projects in the works, such as the branch libraries and community centers, where smaller firms could more easily handle and compete effectively for the jobs. This smaller-job experience can very well translate into bigger jobs in the long-term.

There remains unquestioned need for African-American, women-owned and other minority businesses to be more competitive in the market place. Everyone involved in the construction industry, including contracting businesses, lenders and labor, needs to better recognize and embrace the value of minority participation. For African-American-owned businesses in particular, due to past discrimination and other factors, there remains a great need for relationship building. The bigger contractors have a role to play in mentoring and outreach. And the city has a role in continuing to think creatively about enhancing access to public-works-contracting opportunities for all members of our community. It will not happen by itself. It would be truly heartening if we expanded our efforts to level the playing field beyond incentive programs alone.